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For Immediate Release
May 4, 2004

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Senate Republicans approve tax credit for new jobs

LANSING — The Senate passed legislation Tuesday that would help reduce the tax burden for small businesses that hire new employees, Sen. Beverly Hammerstrom, R-Temperance, announced.

“I’m pleased to join with my colleagues in further helping to make Michigan more desirable for small businesses,” Hammerstrom said. “This bill allows small business owners to add one more reason to their list of benefits to start up in Michigan.”

The tax credit available through Senate Bill 1093 was designed to offset the Single Business Tax cost of hiring a new employee. In order to qualify for the tax credit, created jobs must meet the following criteria:

- Did not exist in Michigan during the immediate preceding tax year;
- Represents an overall increase in full-time equivalent jobs in Michigan from one year to the next;
- Is not a job into which the employee transfers from an entity with which the taxpayer files a consolidated return; and
- Must include health care coverage or insurance.

SB 1093 is part of the JOBS Action Plan, a broad Republican plan for revitalizing Michigan’s job opportunities. The JOBS Action Plan is designed to create new job opportunities, save existing jobs, and promote a friendlier and healthier business climate in Michigan.

SB 1093 now goes to the governor for approval.

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